

ONTARIO MINING ASSOCIATION

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TORONTO 1

To the Chairman and Members,
Committee of Enquiry,
Medical Services Insurance,
Government of Ontario,
67 College Street,
Toronto, Ontario.

Ladies and Gentlemen:

1. The Ontario Mining Association welcomes this opportunity to present its views regarding Bill 163 - An Act Respecting Medical Services Insurance.
2. The Association is a non-profit, voluntary Association incorporated by Letters Patent in Ontario in 1920. Its members, some sixty in number, embrace most of the producing mines and reduction plants in the Province. These companies employ some 38,000 persons being about 90% of the total in the industry in Ontario. They produce all or most of the asbestos, cobalt, copper, gold, iron, nickel, platinum, salt, silver, uranium oxide, and other metals which collectively make up Ontario's metallic and non-metallic mineral production.
3. With the reservation set out below, the Association is pleased to take this opportunity to endorse the principle of medical services insurances coverage as contained in Bill 163.

We particularly commend the Government for its private enterprise approach in this matter as opposed to a plan of compulsory socialized medicine.

4. It has been a common practice of long standing for mine

operators in Ontario to make the benefits of a pre-paid medical services plan available to employees and their dependents. At the present time the majority of mine employees are subscribers to established medical service plans or policy holders in health insurance plans. Coverage is also available to dependents. Mine operators make substantial contributions toward the cost of the premiums required. The plan most widely used is the Blue Plan of Physicians' Services Incorporated.

5. Our reservation with respect to the application of Bill 163 concerns the Porcupine Mines Employees' Medical Services Association, hereinafter called the Porcupine Plan or the Plan. Medical services are available to members of that association and their dependents in accordance with a self-insured and self-administered plan. At the present time, nine producing mines in the Timmins-Porcupine Area are participating in the Plan which is providing coverage for over 10,000 persons, about 3,000 of whom are employees of the nine mines.

6. We believe that this method of providing medical services is somewhat unique in Ontario. We also believe that the Porcupine Plan has a great deal to recommend it and we are unhappy with the prospect of its demise because of the present form of Bill 163.

7. It is therefore respectfully submitted that some equitable method should be devised whereby a medical services plan such as the Porcupine Plan could continue to exist.

8. As background for our recommendations, we now direct your attention to a brief historical review and an examination of the Porcupine Plan as it now exists.

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Early History of Porcupine District Medical Plans

9. In 1937 Hollinger Consolidated Gold Mines Limited of Timmins, approached the matter of medical and hospital services for their employees and their dependents from a new angle. Instead of submitting plans like those in force elsewhere, Hollinger suggested that a committee of employees meet with the doctors of the district to see if a plan could be worked out. Two plans were formulated by the late Doctor R. P. Smith. The first plan offered complete coverage, while the second offered good coverage, although not complete, but at a lower rate. The two plans were submitted to the employees and they voted in favour of the complete coverage plan. The Hollinger Employees' Medical Association came into being on June 18, 1937 with Dr. R. P. Smith as Medical Supervisor, and operated successfully for 22½ years until December 31, 1959. At the inception of this plan there were 9,500 persons covered, with contributions for each four week period of \$2.65 for a married employee with any number of dependents, \$1.75 for a single employee, and with the mine contributing \$1.00 per employee. After the fourth year of operation the doctor members agreed to accept 75% of the Ontario Medical Association's Schedule of Fees in full payment for the service rendered.

10. On October 1, 1941 the Ross Mine, a subsidiary of Hollinger, operating in the Ramore district, 54 miles from Timmins, started a plan of its own on the same basis as the Hollinger plan. This plan remained in force for 16 years and was terminated on March 1, 1959 just after the Ontario Hospital Services Commission had been established. The Ross Mine Employees' Medical Association was administered from the same central office in Timmins as was the Hollinger plan, both under the capable leadership of Dr. R. P. Smith.

11. On September 1, 1943 McIntyre Porcupine Mines Limited of Schumacher, commenced a plan similar to that at Hollinger. This plan was also administered by the same office which handled the first two plans. The McIntyre plan remained in force for 5 years until October 31, 1948.

Porcupine Mines Employees' Medical Services Association

12. The ten remaining mines in the Porcupine District combined to participate in one plan, the Porcupine Plan or the Plan, effective November 1, 1943. This Plan was again very similar to the original Hollinger plan in that it was formulated to cover the medical and hospital needs of the mine employees and their dependents.

13. The mines which participated in the Plan were:

Aunor Gold Mines Limited

Broulan Porcupine Mines Limited

Buffalo Ankerite Gold Mines Limited

Coniaurum Mines Limited

Delnite Gold Mines Limited

Dome Mines Limited

Hallnor Mines Limited

Pamour Porcupine Mines Limited

Paymaster Consolidated Mines Limited

Preston East Dome Mines Limited

14. At the outset there were 3,000 employees in the Porcupine Plan which with their dependents made a total of 8,982. The monthly contributions were \$2.05 for a single employee, \$3.15 for a married employee with any number of dependents, and \$1.10 per employee for the mining

companies. In addition to the monthly contribution for employees there was a service charge of fifty cents for the first visit to or from a doctor in any month for any employee member or his dependents. The maximum which could be charged in any month was \$1.00. This charge was made to assist in minimizing abuses of the Plan. Many modern medical insurance plans have adopted similar deductible corridors and co-insurance provisions for the same reason.

15. The administration of the Plan was organized so that all parties concerned had representation. Each of the mining companies selected an employees' committee to handle the affairs of the Association as regards the particular mine. The chairman of each mine committee was a member of a General Employees' Committee representing the employees of all the mining companies. This Committee selected from its group an Executive Committee of five members who became the employee members on the Board of Directors of the Association. The doctors who were members of the Association selected from their membership an Executive Committee of five members, who then represented the medical profession on the Board of Directors. The doctors also appointed from their members a Medical Supervisor.

16. Table #1 attached hereto lists the various services supplied to members and their dependents at the start of the plan in 1943 as compared with present day coverage.

The Porcupine Plan at the Present Time

17. The Porcupine Plan has operated successfully for 20 years; however, with time, many changes in both coverage and administration have taken place.

18. The number of mines participating has decreased to nine because of mine closures. The total number of persons covered by the Plan totalled 10,136 as of the end of 1962 comprised as follows:

Single employees	678
Married employees	2,272
Widows of employees	82
Retired employees	127
Dependents	6,977

19. It is of interest to note that coverage has been extended to widows and retired employees regardless of age, and to their dependents, provided they continue to reside within the Association District.

20. With the advent of the Ontario Hospital Services Commission in 1959 the Association revised its rules and regulations so as to provide only for the medical needs of its members. At the present time the Porcupine Plan pays the Doctors 90% of the Ontario Medical Association tariff (with P.S.I. modifications) as compared with the earlier rate of 75% of the O.M.A. tariff. Doctor specialists outside of the Association District are paid at the same 90% rate as are the local doctors. Amounts, if any, charged in excess of this schedule become the responsibility of the patient.

21. Table #2 attached hereto shows various statistics ranging from the number of employees and dependents to the number of house visits and operations. This clearly indicates the wide utilization of the Plan.

22. The mine employees' committee are selected in the same manner as they were at the start of the Plan in 1943. The Board of Directors now consists of four members, three selected from the General Employees' Committee and one appointed by the participating mining companies.

23. The member doctors elect a committee of four members to act as a Medical Advisory Committee. The Board of Directors appoints the chairman of the Medical Advisory Committee and this chairman also acts as Medical Supervisor of the Association. It is important to note that this Medical Supervisor was a full time employee of the Association from the Plan's inception in 1943 until the middle of 1958. From that time on the Medical Supervisor has not been a full time employee but rather has been acting in an advisory capacity assisting the Office Supervisor as required.

24. The financial statistics for the Plan for the past ten years are shown in Table #3 attached hereto. This table shows the amount paid out by the Association for each type of coverage and also shows the total income. It is of special interest to note the low cost of administration of the Plan. The Board of Directors is of the opinion that a reserve of \$5.00 per person covered should be maintained to take care of epidemics and other catastrophies. At the end of 1962 the reserve was \$53,456, - sufficient to satisfy this requirement.

25. The Porcupine Mines Employees' Medical Services Association has been in operation, as we have said, for over 20 years. During this period of time it has served its members well, supplying medical and hospital coverage at reasonable cost. The success of this Plan is, for the most part, due to a desire of the employees, doctors, and mining companies to have a plan of their own working efficiently for the benefit of all concerned. Many individuals have made the problems of the Plan an avenue for voluntary effort and much credit is due to them for its success. We know of no other plan in existence in Ontario at the present time which provides benefits equal to those provided by

this Plan at comparable cost.

26. If Bill 163 is passed in its present form, the Porcupine Plan would have to be wound up and the Association dissolved unless the basic structure of the Plan is altered, i.e. thrown open to all applicants. If it is attempted to operate within the provisions of Bill 163, it would have to qualify as a "carrier" with all the limitations this would impose including membership in "Medical Carriers Incorporated" and the attendant increase in administration costs. Membership in the Plan would have to be thrown open to all who apply, - thus destroying the mutuality of interest which now exists amongst employees, doctors, and mining companies.

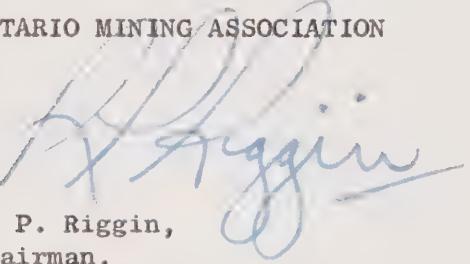
27. Admittedly, the circumstances which are favourable to the establishment and maintenance of a self-insured and self-administered medical services plan do not exist in a large metropolitan area to the same extent as they do in a relatively small and somewhat isolated mining community. We also recognize that in our democratic society the interests of all must be considered and the overall good weighed.

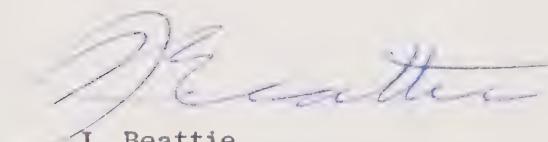
28. There are certain basic requirements of Bill 163 regarding benefits, premiums, etc. We appreciate that these safeguards are required for the residents of Ontario who desire pre-paid medical services coverage. If the Porcupine Plan is able, with or without modifications, to satisfy the Superintendent of Insurance for Ontario that it meets these specifications, it would seem to us that the intent behind Bill 163 (".....to make it possible for all residents of Ontario to obtain protection against the cost of medical and surgical care and services.") would be satisfied and we respectfully submit that this Commission so recommend to the Government.

29. We should record that the Ontario Mining Association has been authorized to make this submission and recommendation to you on behalf of the Porcupine Mines Employees' Medical Services Association.

Respectfully submitted on behalf of the

ONTARIO MINING ASSOCIATION


R. P. Riggan,
Chairman,
Labour Relations Committee.


J. Beattie,
Executive Director.

November 22, 1963

TABLE #1 - SERVICES SUPPLIED

	1943	1963
(1) Medical	Attention in the home, office or hospital. No limit on home and office calls per year for a member and his dependents.	Attention in the home, office or hospital. Limit on home and office calls - \$125.00 per year for a member and his dependents.
(2) Hospital	Public ward care.	
(3) X-Rays	As required.	All X-rays which are not the responsibility of the O. H. S. C.
(4) Surgery	All necessary surgery, except no surgery outside of emergencies until a new member had been on plan for 12 months.	All necessary surgery, except no surgery outside of emergencies until a new member had been on plan for 6 months.
(5) Obstetrics	For a dependent registered after October 31, 1943 there was a waiting period of 9 mos.	Waiting period for a new member 8 months.
(6) Communicable Diseases	Treatment supplied except for the provision of any isolation procedure.	Not supplied.
(7) Drugs & Medicines	Supplied through Doctors prescriptions except for household remedies.	Not supplied.
(8) Nursing	Special nurses provided upon application of the Doctor to the Medical Executive Committee.	Not supplied.
(9) Victorian Order of Nurses	Not supplied.	Fully paid for home patients when directed by a Doctor.
(10) Accident Outside District	Medical services for member who might suffer accident outside of district.	Medical & surgical services for a member who suffers an accident or sudden illness outside of district.
(11) Outpatient Services	Not applicable.	Supplied in conjunction with O. H. S. C.
(12) Laboratory Services	Fully covered.	Supplied in conjunction with O. H. S. C.
(13) Referral to Specialist	Not supplied..	Fully covered when authorized at Association's rates - 90% of O. M. A. tariff.

TABLE #2 - GENERAL STATISTICS - 1953 to 1963

	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Employees	3,600	3,500	3,400	3,300	3,300	3,300	3,200	3,100	2,854	2,950	
Members	11,249	-	-	11,000	11,000	11,000	11,000	10,339	9,834	10,136	
<u>Contributions</u>											
Single	2.75	2.95	2.95	2.95	2.95	2.95	1.75	2.00	2.00	2.00	2.00
Married	4.65	5.25	5.25	6.25	6.25	6.25	3.70	4.70	4.70	5.70	5.70
Mine	1.20	1.30	1.30	1.38	1.80	1.80	1.80	2.00	2.00	2.00	2.00

Services Rendered

<u>Local</u>											
Patients	24,427	20,979	24,228	23,429	26,793	26,974	24,718	23,752	23,196	23,701	
Office Calls	28,590	35,754	26,801	25,729	23,293	28,241	25,577	23,598	24,327	25,749	
House Calls	7,225	6,432	7,363	6,692	7,480	7,080	6,376	5,695	5,675	5,117	
Major Surgery	132	89	119	146	177	235	241	233	212	179	
Minor Surgery	903	1,200	1,001	1,083	818	1,274	1,008	1,071	1,342	1,287	

Outside District

Patients	-	-	-	242	244	234	265	381*	496*		
Consultations	-	-	-	142	140	148	134	170	201	294	
Major Surgery	-	-	-	75	84	62	65	61	82	76	
Limit on Calls Per Year	\$50.00	\$50.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$100.00	\$100.00	\$125.00	
Service Charges											
% O.M.A. Tariff To Doctors	75	75	80	80	80	80	90	90	90	90	90

* - Includes clinic patients seen by outside specialists in Timmins.
50 cts/visit
up to \$1.00

% O.M.A. Tariff To Doctors

* - Includes clinic patients seen by outside specialists in Timmins.

TABLE #3 - FINANCIAL STATISTICS

	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
RECEIPTS										
Medical Dues	187,613	154,139	179,878	200,068	211,003	250,690	142,838	156,808	*140,172	171,130
Mine Contributions	51,452	44,079	53,247	59,826	72,206	84,806	80,044	77,552	* 67,956	72,938
Service Charges	22,744	16,496	19,245	18,972	17,854	21,409	17,425	15,568	15,482	15,585
Miscellaneous	7,887	6,307	6,848	10,551	8,006	10,616	4,093	900	936	1,619
Totals	269,696	221,021	259,218	289,417	309,069	367,521	244,400	250,828	224,546	261,272
DISBURSEMENTS										
Administration	13,095	12,147	14,714	15,267	16,556	18,468	13,639	13,185	13,016	13,084
Hospitals	65,252	56,770	71,563	83,325	97,142	124,125	-	-	-	-
Outpatient Service	1,686	1,765	2,040	1,686	2,445	2,528	5,597	4,835	5,778	6,684
X-Rays	19,064	18,935	22,517	24,078	22,907	26,315	18,796	16,303	16,740	20,843
Nurses	3,216	2,376	3,074	4,147	4,007	3,702	2,592	60	880	770
Drugs	12,829	11,953	20,395	14,622	-	13,404	7,261	-	-	-
Outside Doctors	13,212	9,091	13,661	16,083	18,551	14,949	15,672	15,853	17,512	21,693
Local Doctors	123,259	102,425	121,588	128,504	139,737	171,430	165,125	177,587	176,440	186,468
Total Disbursements	251,613	215,467	269,552	287,712	301,345	374,921	228,682	227,823	230,366	249,542
Yearly Gain	18,083	5,554		1,705	7,724		15,718	23,005		11,730
Yearly Loss			10,334			7,400			5,820	
Administration										
Percent of Total Disbursements	5.2	5.6	5.5	5.3	5.5	4.9	6.0	5.8	5.7	5.2

NOTE - * ONE MONTH DUES FREE

